

AMENDED IN ASSEMBLY APRIL 5, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1163**

**Introduced by Assembly Member Yee**

February 22, 2005

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An act to amend Section 9875 of, to add Sections 9875.3 and 9875.4 to, and to repeal and add Section 9875.1 of, the Business and Professions Code, relating to motor vehicle replacement parts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1163, as amended, Yee. Motor vehicle replacement parts.

Existing law regulates the use of motor vehicle replacement parts, and prohibits an insurer from requiring the use of ~~nonoriginal~~ *noncriminal* equipment manufacturer aftermarket crash parts, as defined, in the repair of an insured's motor vehicle, unless the consumer is advised in a disclosure document of the use of the part. A violation of those provisions subjects an insurer to specified enforcement actions by the Insurance Commissioner.

This bill would instead require an insurer or repair facility to notify a consumer of the use of crash parts supplied by the manufacturer of the vehicle ~~or, certified aftermarket crash parts, as defined, or other crash parts.~~ The bill would ~~create a presumption~~ *establish* that a noncar company certified aftermarket crash part is of like kind and quality to a part manufactured by the vehicle manufacturer. The bill would prohibit a person from imposing a penalty upon a person leasing or financing a vehicle who repairs that vehicle using certified aftermarket crash parts.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. The purposes of this act are as follows:

(a) To protect consumers by encouraging collision repair shops to use only car company or certified aftermarket parts.

(b) To require notification by the collision repair shop or insurance estimate as to the use of *all crash parts, including car company or certified aftermarket parts*.

(c) To require notification regarding identification by mechanized processes or systems of all crash parts, including car company or certified aftermarket parts, used to repair the vehicle.

SEC. 2. Section 9875 of the Business and Professions Code is amended to read:

9875. As used in this chapter, the following definitions shall apply:

(a) “Insurer” includes an insurance company and any person authorized to represent the insurer with respect to a claim.

(b) “Aftermarket crash part” means a motor vehicle replacement part manufactured by other than the original equipment manufacturer, for any of the nonmechanical parts made of sheet metal, plastic fiberglass, or a similar material, that generally constitute the exterior of a motor vehicle. This includes outer panels, hoods, fenders, doors, trunk lids, *exterior lighting, reflective devices*, and exterior coverings of bumpers, but does not include windows or hubcaps. These categories may be expanded as new certification standards are developed by entities qualified under subdivision (e).

(c) “Car company” means a motor vehicle manufacturer or distributor that produces or markets crash parts under its own name for use in motor vehicles that it manufactures or distributes under its own name.

(d) “Noncar company” or “independent manufacturer” means a manufacturer or distributor that produces or markets aftermarket *exterior lighting, reflective devices, or crash parts* ~~under its own name~~ for use in motor vehicles that it does not manufacture or distribute.

(e) “Independent third-party certifier” means a certifying entity that is registered with the Director of Consumer Affairs and meets all of the following requirements:

(1) Accreditation to the International Organization for Standardization (ISO) Guide 25 (ISO)/International Electronic Commission (IEC) Guide 17025: General requirements for the competence of calibration and testing laboratories for the automotive industry.

(2) Accreditation to the International Organization for Standardization (ISO) ISO/IEC Guide 62: General requirements for bodies operation assessment and certification/registration of quality systems for the automotive industry.

~~(3) Formal accreditation by the American National Standards Institute (ANSI) as a standards developer.~~

(3) Accreditation to ISO/IEC Guide 65: General requirements for bodies operating product certification systems for the automotive industry.

(4) Accreditation by the American Association of Laboratory Accreditation (A2LA) or similar body for all aspects of testing related to Federal Motor Vehicle Safety Standards (FMVSS) for automotive lighting and reflective devices.

(5) Accreditation by the American National Standards Institute (ANSI) as a standards developer for aftermarket crash repair parts.

(f) “Certified aftermarket crash part” means an aftermarket crash part for which a certification has been issued by an independent third-party certifier *and a label identifying the part as certified shall be affixed to each individual part.*

~~A certified aftermarket crash part shall be warranted by the manufacturer, distributor, or the insurer as being equivalent to or exceeding the part placed on the vehicle during initial assembly in terms of fit, finish, quality, and performance.~~

*The manufacturer or distributor and the insurer shall warrant a certified aftermarket crash part to be of like kind and quality in terms of fit, finish, and performance as a part manufactured by the vehicle manufacturer.*

SEC. 3. Section 9875.1 of the Business and Professions Code is repealed.

SEC. 4. Section 9875.1 is added to the Business and Professions Code, to read:

9875.1. In all instances, the written estimate prepared by an insurer or repair facility, or both, shall meet the following requirements:

1 (a) Clearly identify the manufacturer of each part so long as  
2 the manufacturer can be identified by automated processes or  
3 through the manufacturer's warranty.

4 (b) A notification shall be attached to, or included in, the  
5 estimate and shall contain the following information in 10-point  
6 type or larger type:

7 "THIS ESTIMATE HAS BEEN PREPARED BASED ON  
8 THE USE OF CRASH PARTS SUPPLIED BY THE  
9 MANUFACTURER OF YOUR VEHICLE ~~OR CERTIFIED~~  
10 ~~AFTERMARKET CRASH PARTS SUPPLIED BY AN~~  
11 ~~INDEPENDENT MANUFACTURER. ALL AFTERMARKET~~  
12 ~~CRASH PARTS USED IN THE PREPARATION OF THIS~~  
13 ~~ESTIMATE, CERTIFIED AFTERMARKET CRASH PARTS,~~  
14 ~~CRASH PARTS SUPPLIED BY AN INDEPENDENT~~  
15 ~~MANUFACTURER, OR RECYCLED OR SALVAGED CRASH~~  
16 ~~PARTS. CERTIFIED AFTERMARKET CRASH PARTS AND~~  
17 ~~CRASH PARTS PRODUCED BY THE MANUFACTURER OF~~  
18 ~~YOUR VEHICLE ARE WARRANTED BY THE~~  
19 ~~MANUFACTURER OR DISTRIBUTOR OF THE PARTS AND~~  
20 ~~THE INSURER FOR WHICH THE ESTIMATE WAS~~  
21 ~~WRITTEN."~~

22 SEC. 5. Section 9875.3 is added to the Business and  
23 Professions Code, to read:

24 9875.3. A person, including an individual, company, or agent,  
25 may not impose a penalty upon a person leasing or financing a  
26 vehicle who repairs the vehicle using certified aftermarket crash  
27 parts.

28 SEC. 6. Section 9875.4 is added to the Business and  
29 Professions Code, to read:

30 9875.4. Noncar company certified aftermarket crash parts  
31 used to repair a motor vehicle ~~shall be presumed to be~~ *are* of like  
32 kind and quality to car company parts.